

30 May 1984

NOTE FOR: DCI

SUBJECT: Hal Ford's Paper, "The Future of National Estimates"

Bill:

Some points have merit. Most do not.

The more emotional would claim it as outrageous and tantamount to establishing the NIC as an independent agency. On the whole I take issue with most of Hal's comments, except those suggesting the NIC do better.

Hal speaks to the coordination of national estimates as an outdated art form. This is a key, basic charter of the Central Intelligence Agency and although it is complex and may require the NIOs to move around town, the NIEs deserve a Community cut, not one fashioned in the narrow corridors of the NIC/AG.

As far as the NIC's Analytic Group (AG) goes, I have always feared the establishment of this entity within the NIC. It provides an independence without data base and sows the seed of developing an independent though narrow organization. That organization can run contrary, counter and independent of the DDI. Frankly it is an abortion and we can best serve our intelligence process by reducing it dramatically or doing away with it completely. There is no need to upgrade the size, stature and recruitment base of the AG but rather the NIC ought to look with vigor to the DDI and other organizations of the Intelligence Community to input into national level intelligence.

It should come as no surprise to you that I believe there is considerable merit in the DDI and Chairman/NIC being one and the same. I won't bore you with old rationale.

To say that there is going to be no automatic market of expectant consumers of our estimates runs completely counter to recent history. The policymakers have never been better served by our estimative process nor have they been timid themselves in expressing their requirements to satisfy their insatiable needs.

The reference to the White House and Richard Beal's operation to me are not an added argument in favor of what Hal proposes but an argument of what I feared from Beal's operation to start with. True it is the intent of some quarters in the White House to set up an independent analytical capability within the White House, something again which my gut says will produce half-assed information to the White House as well as step on DCI responsibilities and prerogatives. In any event why would the NIC even think about a relationship with a crisis operations room?

The suggestion that there will be more disorder in tomorrow's world should cause us to bifurcate our present in-house intelligence process makes no sense at all.

If there is any gap between theory and practices of the coordination process then that fault rests with the NIOs doing their basic job. And that is an individual responsibility of each NIO. Enlarging the AG will not solve that obvious deficiency. The suggestion that the NIC serve the policymakers by conceiving themselves as national estimators and increasing their sophistication and size is what was done in 1947 and they called the organization at that time CIA.

The farming out of drafts is just what was intended in trying to develop Community participation in the national estimate process. To look upon this as a problem as opposed to an accomplishment just boggles my mind.

In short, I can give no truck to any of Hal's rationale for expanding the AG. It would be nice simply to see the NIC function as it ought to.

As far as a full-time Chairman/NIC, again I differ with Hal. The thought that a scholar or an official of national reputation will bring substance to the job as opposed to awe is without merit. A good many scholars have their own bag and their own view of life. What we are trying to produce here is unbiased intelligence and not a mechanism for someone with their own agenda to push or promulgate. I also feel that the responsibility for scholarship and national reputation starts with the DCI.

As far as evaluation of estimates, the SRP seems to be doing that job quite well and Helene Boatner's work in evaluating the overall DDI product has been extremely helpful. Maybe this should be expanded.

Collection of the Third World has been a large item now for the last two years. Obviously more is to be done but the problem of getting State and other embassy officials to play an intelligence role has been very much on the front burner of the HUMINT Committee, the "Focus Reports" as well as the collection plans which the IC Staff circulates in your behalf. Larry Eagleburger's message to all embassies a few months ago was a gig to prompt the embassies into more reporting.

The complaint to have the estimators receive more U.S. Blue information is old hat and it's a problem that is not going to be solved with or without the NIC. It's inherent in operators not to want to provide anyone operational information. That goes for submarine ops, destroyer ops and DDO ops.

The final paragraph which suggests that the estimators tell the truth and tell it like it is is a lousy and bum rap. The identification of Vietnam, Iran or Lebanon as examples of where we spent taxpayer's money to help policymakers deceive themselves is not only factually incorrect but outrageous in the inference.

Needless to say my emotion runs high with Hal's step into the past.

John N. McMahon

TRANSMITTAL SLIP

21 May 1984

TO: DDCI

ROOM NO. BUILDING

REMARKS:

DCI
EXEC
REG

FROM: Hal Ford, NIO At Large

ROOM NO.
7E62BUILDING
HQS

EXTENSION

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WHICH MAY BE USED.

(47)

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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 02989-84
18 May 1984

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence
Chairman, National Intelligence Council

FROM: Hal Ford
National Intelligence Officer At Large

SUBJECT: The Future of National Estimates

1. As a practitioner, observer, and critic of the national estimates business since 1951, in and out of CIA, I believe strongly that certain fairly substantial additional changes have become necessary in this business if national estimating is to make the impact it deserves in tomorrow's world. This memo examines problems which will increasingly beset the estimate-policymaker relationship, and offers certain recommendations to meet that more troubled future environment.

2. My chief observations/recommendations, as spelled out in the body of this memo, are in brief:

- That in some respects the coordinated national estimate has become an outdated artform in the heavy competition for consumers' attention -- in a world and a policymaking milieu increasingly affected by pressures of complexity, time, and disorder.
- That certain types of coordinated national estimates remain highly necessary and should be produced, but that the NIOs, the A/NIOs, and the NIC's Analytic Group (AG) can better serve the interests of policymakers by continuing to increase that proportion of national estimating which takes the form of less formal memos, think-pieces, face-to-face encounters, new methods of communicating estimative judgments, and so on.
- That the key to the quality of written estimates is -- and will continue to be -- the quality of the drafters; that the practice of

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IT'S NOT
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borrowing drafters on an ad hoc basis from other offices has proved a mixed blessing; that the best system yet devised for producing the bulk of estimates is a cadre of elite, experienced estimates officers concentrated in the estimates office staff (NIC, at present); and that to these ends something like the present AG should be substantially upgraded in size, stature, and recruitment base.

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- With no disrespect to Bob Gates' heroic dual performance, that the production and impact of estimates can be best maximized where the chief estimates officer (C/NIC, or however titled) holds that position as a full-time job, and is himself/herself a figure of national reputation who is a hard-headed thinker/doer.
- That many additional changes -- spelled out below -- are also needed to improve the utility of future national estimating. These encompass matters of purpose, format, procedure, media, and marketing.

3. An increasingly difficult future market for national estimates:

- The always difficult market for estimates is going to get worse. The producers of estimates, up and down the chain of command, must recognize more clearly that their efforts will face heavy competition indeed for the time and attention of senior policymaking consumers. These key targets of ours are the very officers who have the least time and energy to absorb our wisdom. They carry their own NIEs around in their heads. They often feel that they do not need us, especially in fields where general knowledge is plentiful, but unique augmenting intelligence is thin.
- There is going to be no automatic market of expectant consumers, just waiting for our estimative insights before they proceed to policy decision. Dispassionate estimates are going to be up against advocacy, with the latter having the advantage of always being simpler and more seductive. And in particular, our estimates will not encounter a ready market on those occasions where their portraits of the world are not congenial with policymakers' own images or commitments.
- The expanding hazards to estimates' impact will be both foreign and home-grown. Tomorrow's world will bring not only the growing weight of the Soviet global challenge, but increasingly more volatile threats to US interests from instabilities in the Third World and elsewhere. Such rising disorder will create a more difficult policymaking milieu. The demands of meeting pressing crises has always produced what past evaluations have correctly termed a "stranglehold" by current intelligence, to the detriment

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of sufficient consumer or producer attention to longer-term -- and often more serious -- problems. This situation will intensify as policymakers are beset by a rise in the number, complexity, insistence, and time-squeeze of world problems.

- Accompanying this trend will be certain new hazards to estimates arising from improved White House and other operations centers such as that of Richard Beal's. These efforts will be good/bad: they will tie intelligence to policy on a more immediate basis, but at the same time may damage decision making by surrounding senior policy officers with facts and judgments which in some instances are more high-impact than accurate or meaningful.
- For many reasons, hence, there will be more disorder in tomorrow's world and tomorrow's policymaking -- and, consequently, a greater gap between the very rational purposed theory of national estimating on the one hand, and the more haphazard practice of policymaking on the other. This means that tomorrow's national estimating will have to be damn good in quality and utility, on and beyond recent improvements, if it is to justify the time, talent, energy, and taxpayers' money spent on its preparation.

TRUE
THAT'S WHAT
I FEARED IN
THE BEAL
OPERATION

4. The case for fewer interagency national estimates and more national estimating:

- The case still exists -- more than three decades since the creation of the NIE art form -- for the traditional purposes of certain national estimates. Those purposes, as expressed by then DCI Bedell Smith,* sought in the national estimates an authoritative interpretation and appraisal that would serve as a firm guide to policymakers and planners, a disinterestedness above question, the collective judgment of the highest officials in the various intelligence agencies -- hence commanding respect throughout the government as the best available and most authoritative body of estimative judgments. These considerations still apply for many of the basic studies, such as the NIE 11-3/8 series, where an NIE serves as an agreed reference point for key planning; and for evaluations of certain other crisis or troubling situations of pressing importance to the United States where authoritative, dispassionate basic assessments may be in short supply.
- But in the case of many of other types of national estimates, the institutions of orderly policymaking for which estimates were designed originally to serve have long since disappeared. Apart largely from long-range military planning, policymaking takes place much more on the run. The best step the estimates business has taken to meet this changed circumstance is the creation and

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REPEATS
ON
THE WHEEL
RETURNING

*IAC-M-1, 30 October 1950.

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strengthening of the NIO system. Well and good: through various means the NIOs have moved out smartly into this policymaking scene. But the ties of estimates and policymaking are still somewhat hit-and-miss, with no systematic match-up, and with the time and talent of senior NIC officers overly drained off in often feckless coordination.

- There continues to be a sizable gap between the theory and the practice of the coordination process. At the representatives' level there is often a lack of individual candlepower, genuine expertise, and actual authority to represent the Principal. With some exceptions, representatives tend to defend prior established positions, or just insure that nothing too objectionable gets in the text, or just pass the buck along to the Principals. There is strong reluctance at many representatives' meetings to take clear dissents, or to undertake new kinds of inquiry or lines of march, or to venture out beyond demonstrated intelligence at hand, or to judge the possible consequences of possible future developments. These drawbacks are reduced, the better and stronger the texts, and the stronger and better the NIO Chairman. Often the coordination process improves an estimate's precision and introduces new subtleties into the text. Drawbacks nonetheless persist, and so create many other situations where the final coordinated draft that emerges is essentially that which entered the reps' arena, only less sharp, less clear, of less utility -- and much delayed.
- There have been worthwhile efforts to increase the participation of Principals in the estimative process. Again, well and good, and the more such continuing pressure on them the better. But, realistically speaking, the fact that most Principals are essentially managers is always going to make the outcome of NFIB meetings largely the result of given DCI's and whatever assorted creative personalities happen to attend the particular session, rather than the collective wisdom foreseen by General Beedle Smith and his original IAC.
- Given all these limitations on national estimates, there is a strong case to be made that the NIC (and future central estimative offices, whatever their title) can best serve policymakers by conceiving of themselves more as national estimators rather than as just the producers of national estimates. This means (1) that the NIC and the AG can and should be manned by the most sophisticated, broadly experienced officers that can be gathered together; and (2) that these NIC officers not dilute their contribution to national estimating by having to spend too great a proportion of their time grinding out coordinated NIE packages.

FIX THEN
DON'T CHANGE
SYSTEM

AND WE CAN CALL IT CIA!

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- Constructive critics have long warned estimators of the dangers of over-coordination.* What have been often the most valuable inputs made by senior estimative officers over the years have been sharp ad hoc or in-house studies which break new ground, point out new developing world threats or opportunities, question conventional wisdom, examine the consequences of contingent developments, or otherwise give policymakers more direct, focussed assistance than can the necessarily more ponderous estimates -- even the recently improved fast-track variety. NIOs, A/NIOs, and AG members are in the best possible spot to contribute such insights, and should be encouraged to continue to enlarge the proportion of such efforts, checking carefully in each instance with DDI or other appropriate specialists, and indicating clearly to the readers the status of the views being presented.
 - Policymakers would be well served also if, on occasion, memos of comment were offered on such think pieces by individual NFIB Principals or other senior intelligence and policymaking officers.
 - NIOs, A/NIOs, and AG officers, if freed somewhat from the sizable paper-shuffling demands of coordinating and producing formal estimates, would have more time also to assist other senior intelligence officers in guiding collection and in devising new means of communicating estimative findings, in addition to that of the printed page. Impact on the faster-moving policymaking world will require much more in the way of video, graphics, face-to-face, and other measures. Also more emphasis, see below, on marketing and follow-up.
 - In all such cases of estimating by means additional to national estimates, the payoff must of course remain on the quality and utility of estimative assistance to policymakers, not on the quantity of NIEs or other estimative pieces being produced.
5. The key importance of an estimate's drafter:
- Another clear fact which three decades of US estimates experience has demonstrated is the absolutely primary importance of the particular drafter to that finished estimate's quality and usefulness. Where initial concept and drafts are only so-so, or worse, they not only clog up the estimates schedule but often

*For example, this ancient but still apt recommendation, from a senior CIA officer, 1957: "The sum and substance of what I have been saying is that the US national security system would be better served if the Intelligence Community took a less vigorous view of the meaning of coordination and substituted more informal techniques of consultation."

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remain relatively impervious to subsequent tinkering and re-drafting.

- Where drafters are top-rate there is no problem. But the record is not one of unblemished success, now or in the past. Traditionally the toughest cases exist where the drafter proves mediocre or poor. It is not always easy to know in advance whether an untested drafter will do a good job of preparing an estimate: some good current intelligence officers, for example, have put facts and chronology together in an "estimate," but one which to the consumer has no so-what. The writing of estimates calls for distinctive experience and breadth, as well as distinctive skills in conceptualizing, organizing, and presenting an estimate's findings.
- The 1974-1980 experiment which required NIOs to scrounge estimates drafters as best they could proved a failure -- one recognized in the decision to reorganize the NIOs into a NIC, supported by its own AG. Since that time the drafting situation has improved somewhat, but because of the AG's small size and the many demands on the time of the NIOs and A/NIOs, the majority of estimates still has to be farmed out to other offices.*

RIGHT - THAT'S
THE WAY IT
SHOULD BE --

Thank
you

This farming out of drafting assignments involves various problems. Outside drafters do not belong to the NIOs. They are not answerable to NIC discipline or standards. They are sometimes physically separated from the NIO chairman, even across town. NIOs don't always get the drafting stars they seek, but have to settle for those the parent offices make available. In some host offices the drafting of national estimates is not treated as part of a career-enhancing pattern, but an external chore. Drafters are caught between the demands and views of their own offices and those of the NIO. In result, enthusiasm, priority, quality, and an estimate's usefulness all suffer.

- Some farming out of estimates must of course continue. This certainly applies for many of the complex military estimates where outside-the-NIC analytic offices have produced many good drafting teams. The same applies for those particular occasions where the dimensions of a given estimative chore happen to fit the analytic culture well, and where the host offices do ante up first-team drafting talent. But there are limits to such practice, including distinct limits on how much burden NIC projects should exert especially on DDI production offices' own responsibilities.

- The answer: an increasing proportion of coordinated estimates and in-house pieces can best be done by an experienced AG of



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strengthened proportions, the best type of system yet devised for developing creative estimates drafters. A group encompassing such breadth, intellectual leadership, and skills can also constitute a high-class drafting pool for special ad hoc DCI and C/NIC chores.

This cannot be done well, however, by the present AG. As initially organized by D/NFAC in early 1980,* this group was to consist "of [redacted] officers;" those officers were to draft "the bulk" of coordinated estimates; they were in addition to "initiate ad hoc estimative memoranda for NIC discussion and further disposition;" and rotational tours in the AG were to be an "important element in the career planning of NFAC offices." None of these situations exists at the present time. The AG now has [redacted] professional slots. Its members draft only coordinated estimates, not think papers as well. CIA chiefs do not willingly provide the AG their best officers for rotation tours but understandably husband them for their own offices' purposes. Nor, except for military hardware questions, is there much sophisticated drafting talent available in the Intelligence Community -- we have had one such tour in the AG which was successful (NSA), one which proved mis-cast, and one (DIA) up-coming. The record has also been mixed in drawing top talent into the AG from academia, etc., where this path also entails special bureaucratic hazards.

-- In short, if intelligence is to offer the maximum possible support to policymaking, it must have an estimates cadre of the best brains and effectiveness in town. This did obtain at certain times in the past, witness the wealth of talent represented by such former estimates staffers as [redacted]

[redacted] and many others. The principal reason such talent had been made available was that the estimates office was initially conceived to be "the heart of the CIA and of the national intelligence machinery,"* and early DCI's made sure that the estimates office got assigned the elite drafters it required. I submit that something like this concept of an estimates drafting group is required, or at least something approaching the AG as initially envisaged in early 1980, if the estimates business is not to continue bumping along, doing a fairly good job, but not living up to the potential it could contribute.

6. The need for a full-time C/NIC:

-- The C/NIC is a more than full-time job in itself. The Chairman must furnish intellectual leadership, get the most out of his/her

*NFAC Notice No. 1-19, "Responsibilities and Structure of the NIC Analytic Group," of 30 January 1980.

*IAC-M-1, 20 October 1950.

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officers, administer the office, and relate actively to senior members of the intelligence and policymaking communities. This latter requirement is of paramount importance inasmuch as estimates, being somewhat free-will offerings, will always have greater impact the more the estimators are known commodities to the policymakers, not faceless officers somewhere across town. To important degree the regard in which given estimates are held rests on the personal respect in which their producers are held. This applies of course to all the members of the NIC, but in particular to C/NIC. He/she must have the opportunity to spend needed time with senior officers around town (and with the country's best brains, wherever) before, during, and following the preparation of estimative support -- and so multiply the impact of the estimates effort.

- Although there have been excellent chiefs of the estimates office who came there from CIA careers, there will generally be an edge in stature, contacts, and impact -- all other things being equal -- where C/NIC is a scholar or official of national reputation. In short, future NIC's can be most effective when they have something like latter-day Bill Langer's in charge.

7. Additional recommendations for improving the quality and impact of estimative products. Here I purposely avoid familiar criticisms many others have made, and confine my points to capsule presentations. In brief, there is need for the DCI to direct that much greater attention be devoted to:

- The marketing of estimates -- by the DCI, C/NIC, and NIOs alike. The most rewarding measures involve personalized intervention at various stages of key exercises, before and after their production. There is some of this now, from time to time, but unless pressed much more, our finished products will continue to tend just to pile up, undifferentiated from other mail, on the desks of special assistants and other filters. There needs to be much greater consciousness that our work is not completed at NFIB. Otherwise we short-circuit the process and the purpose of estimating.
- More regularized evaluation of estimates. To date this has been confined to sporadic ad hoc efforts, aimed generally at examining "failures." Fuller and more regular evaluations, conducted by senior, objective groups, could transmit back much-needed guidance as to what has and has not been accurate, useful, etc. This cannot be done by just reading stacks of old papers, but must involve considerable interviewing, the building of personal contacts with consumers, and demonstrated evidence to them of the worth of such inquiry. Some estimates could benefit by making a review of previous judgments on the same topic an explicit part of their content.

SRP's
JOB

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*Hammer carrier & focus report as well as cover plan**It's being done but more to do*

More attention to collection re Third World developments. Here is where most of the action is, and where the prime detonators to world peace are. The Intelligence Community (especially State) must be prodded from on high to get US missions out of their cocktail cocoons and into their host societies, so that blindsided analyses and estimates do not inflict more self-harm on US policymaking.

- More attention in estimates to factoring out the respective indigenous - external Communist ingredients in Third World hot spots. Such crises are of course of enormously greater danger to US interests where Soviet or other hostile elements are at work in the picture. But US policymakers have paid dearly in the past for their relative ignorance of those basic forces in certain world settings which create the local pro-Communist and without whose remedy many US well-intentioned policies will go unavailing.
- Less emphasis on predicting events, more on depicting forces and trends at work in given estimative situations.
- More estimative emphasis on giving policymakers handles: that is, pointing up opportunities as well as threats, and differentiating between those forces in a given picture which seem inexorable, and those others that may to x degree be amenable to US or other friendly remedy.
- 2 0 -- Being less shy, in estimates, in suggesting opportunity handles to policymakers. Not trying to make policy, but not stopping either with just telling the consumer that he/she faces a hell of a situation in Ruritania.
- More contact by estimators with the country's best brains outside of professional intelligence ranks. Contact with outside experts and consultants remains sporadic. More is needed, and on a fuller, more systematic basis, to avoid certain stultifying effects Washington localitis can involve.

Much more effort by and on behalf of the estimators to know the US Blue element much better -- and making sure that such knowledge of the US ingredient is ground into analyses and estimates of foreign situations.

- Better appreciation among analysts and estimators that they, too, not only the policymakers, must keep alert to the distorting influences of prior belief.

IT NEVER HAS & NEVER WILL SO DON'T BEAT THAT HORSE AGAIN

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- Finally, applicable in relation to all the above, a fierce determination by estimators to tell it like it is: that is, the necessity to give our consumers the fullest and most objective analysis/judgment possible -- without regard to the policymakers' particular preconceptions, commitments, or sensibilities. It is the job of estimators to tell the truth, not to make our customers happy. Otherwise we will just be spending taxpayers' money to help policymakers deceive themselves, on occasion, about how well things are going in Vietnam, or Iran, or Lebanon, or wherever.

Bum
RAP

8. I will be pleased to learn your reactions to this memo's observations/recommendations, and to discuss these matters further.

FRAUD
I'm pissed



Hal Ford

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SUBJECT: The Future of National Estimates

DCI/NIC/NIO/AL/HFord:ps. (18 May 84)

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